Steven Gold, Esq. General Counsel ActBlue, LLC 366 Summer Street Somerville, MA 02144

DEC 1 2 2016

RE:

MUR 7039

ActBlue, LLC

Dear Mr. Gold:

17044404859

On April 14, 2016, the Federal Election Commission notified your client, ActBlue, LLC, of a complaint alleging violations of certain sections of the Federal Election Campaign Act of 1971, as amended. On December 6, 2016, the Commission found, on the basis of the information in the complaint, and information provided by you, that there is no reason to believe ActBlue, LLC violated 52 U.S.C. § 30120. Accordingly, the Commission closed its file in this matter.

Documents related to the case will be placed on the public record within 30 days. See Statement of Policy, Disclosure of Certain Documents in Enforcement and Other Matters, 81 Fed. Reg. 50,702 (Aug. 2, 2016). The Factual and Legal Analysis, which more fully explains the Commission's finding, is enclosed for your information.

If you have any questions, please contact Christine C. Gallagher, the attorney assigned to this matter at (202) 694-1650.

Sincerely

Mark D. Shonkwiler

Assistant General Counsel

Enclosure

Factual and Legal Analysis

# FEDERAL ELECTION COMMISSION

#### **FACTUAL AND LEGAL ANALYSIS**

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### I. INTRODUCTION

This matter was generated by a Complaint filed with the Federal Election Commission by the American Democracy Legal Fund. See 52 U.S.C. § 30109(a)(1). This matter concerns an advertisement on Facebook paid for by Bernie 2016 and Susan Jackson in her official capacity as treasurer (the "Committee"), which did not contain a disclaimer stating who paid for or authorized it. While the advertisement itself did not contain a disclaimer, the ad contained information sufficient to identify the Committee, and it linked to both the Committee's website and a donation page on ActBlue's website, both of which contained compliant disclaimers. For the reasons set forth below, the Commission finds that there is no reason to believe that ActBlue, LLC violated 52 U.S.C. § 30120.

# II. FACTUAL SUMMARY

Sanders was a candidate for the 2016 Democratic Party presidential nomination. Bernie 2016 is Sanders' principal campaign committee, and Susan Jackson is its treasurer.

ActBlue, a Massachusetts limited liability company, operates and maintains a website that provides Internet-based tools, including contribution forms, for Democratic candidates and committees to solicit and process contributions. <sup>I</sup> It is also registered with the Commission as a

ActBlue Resp. at 1 (Apr. 28, 2016); see also Advisory Op Req. at 1, Advisory Op. 2014-19 (Act Blue); AOR, at 1, AO 2007-27 (ActBlue).

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- non-connected committee, and acts as an intermediary between individual contributors and
- 2 committees and candidates.<sup>2</sup>
- The Committee purchased an advertisement on Facebook (shown below) that promoted
- 4 Sanders' win in the 2016 New Hampshire Democratic primary on February 9, 2016, and solicited
- 5 donations to his campaign.<sup>3</sup>



Like Page.

You can be certain that our victory tonight will prompt a desperate response from those who see our campaign as a dangerous threat. We must be ready to respond, organize, and win.



ld.; see also 52 U.S.C. § 30116(a)(8).

<sup>&</sup>lt;sup>3</sup> Compl. at 1-2, Ex. A (Mar. 29, 2016).

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- The hyperlink at the bottom left displays the Committee's web address:
- 2 <u>www.berniesanders.com</u>, and beneath the link is the statement: "Not affiliated with Facebook."
- 3 By clicking on that link, the viewer is taken to the homepage of the Committee's website, which
- 4 includes the following disclaimer: "Paid for by Bernie 2016." The "Donate Now" button at the
- bottom right of the advertisement takes the viewer to the Committee's contribution page, which
- 6 is hosted on ActBlue's website.
- 7 The contribution page displays the banner: "Bernie for President," and states "ActBlue—
- 8 We just won the New Hampshire primary" and "[y]our contribution will benefit Bernie
- 9 Sanders." The contribution page also lists the Committee's address where checks were to be
- sent. Finally, the contribution page contains the following disclaimer: "Paid for by ActBlue
- (actblue.com) and not authorized by any candidate or candidate's committee."
- The Complaint alleges that the Facebook advertisement did not include a disclaimer
- disclosing who paid for or authorized it.<sup>6</sup> The Complaint further alleges that the advertisement is

See Bernie 2016 Resp. at 4, n. 10 (May 3, 2010); <a href="https://web-archive.org/web/20160329082820/https://web-archive.org/web/2016032908290/https://web-archive.org/web/2016032908290/https://web-archive.org/web/201603290/https://web/archive.org/web/201603290/https://web

Compl., Ex. B.

Compl. at 2. The Complaint alleges that the Facebook advertisement was neither too small nor was it impracticable for it to contain the disclaimer. Compl. at 3.

In a previous Advisory Opinion Request, Facebook stated that its ads were character-limited, and sought confirmation that its ads qualified for either the "small items" or "impracticable" exemptions at 11 C.F.R. § 110.11(f)(1)(i) and (ii), and did not require a disclaimer. See AOR 2011-09 (Facebook) at 1, 6. The Commission considered three drafts, but did not issue an advisory opinion. See AO 2011-09. In this matter, the Committee and Sanders assert that its advertisement would have passed muster under either Draft B (which would have exempted the advertisement from disclaimer requirements under the "impracticable" exception) or Draft C (which would have considered the disclaimer requirement satisfied because the advertisement links to the campaign's website, which contains a full disclaimer). Bernie 2016 Resp. at n. 8. However, the ads in AOR 2011-09 appear to be materially different in appearances and features. Compare AOR 2011-09 at 6 with the screenshot on the previous page.

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disclaimer.9

confusing because it lacks a disclaimer, and the contribution page displays a disclaimer for

ActBlue, not the Committee.7 2

The Committee and Sanders assert that the advertisement complied with the applicable disclaimer requirements. First, they argue that the ad clearly shows that the Committee paid for and is responsible for it because the word "sponsored" appears next to the campaign logo, and 5 the ad displays the Committee's web address, berniesanders.com, as a link. They also assert that the link takes the user to a landing page on the campaign's website that contained a compliant

ActBlue asserts that, through its website, it acts as an intermediary between individual contributors and Democratic candidates and their committees, and it does not solicit contributions for any candidate or committee, other than itself, 10 ActBlue further asserts that it had no part in placing the Facebook advertisement, nor did it pay anything to buy or place it. 11 ActBlue also explains that the Sanders contribution page is a webpage hosted on its site, and it does not charge any candidate or committee a fee to create such a page. 12 Finally, ActBlue

Compl. at 4.

Bernie 2016 Resp. at 2..

Bernie 2016 Resp. at 3-4, n. 10; https://web.archive.org/web/20.160329082820/https:// berniesanders.com/?nosplash=true. The Response provided the link to the Committee's archived website as of March 29, 2016, because that is the date of the Complaint. See Bernie 2016 Resp. at n. 10. A review of the internet archive shows additional captures of the Committee's website as early as November 15, 2015, and the website appears to have always contained a compliant disclaimer. See https://web.archive.org/web/ 20151115081614/https://berniesanders.com/?nosplash=true/.

ActBlue Resp. at 1 (Apr. 28, 2016).

<sup>41</sup> Id. at 1-2.

<sup>12</sup> Id. at 2.

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- asserts that, as a political committee, it was required to place a compliant disclaimer on the
- 2 Sanders contribution page, and it did so. 13

### III. LEGAL ANALYSIS

- 4 The Act and the Commission's regulations require that whenever a political committee
- 5 makes a disbursement for a public communication, such communication must include a
- 6 disclaimer. 14 Internet communications placed on another person's website for a fee constitute
- 7 "general public political advertising," and are thus "public communications," as defined in 11
- 8 C.F.R. § 100.26. 15' If the communication was paid for and authorized by a candidate, an
- 9 authorized committee of a candidate, or an agent thereof, the disclaimer must clearly state that
- the communication was paid for by the authorized committee. 16 All websites of political
- committees available to the general public must include a disclaimer. 17

The allegation that the Committee's ad was confusing because it also linked to a page

with an ActBlue disclaimer is not persuasive. Clicking the "Donate Now" button takes the

reader to a page clearly indicating that contributions would go to the Committee, but also clearly

stating that the donation page was paid for by ActBlue. As a political committee, ActBlue is

required to have a disclaimer on its publicly available website. 18 The disclaimer on the

<sup>13</sup> Id. at 3.

<sup>&</sup>lt;sup>14</sup> 52 U.S.C. § 30120(a)(1); 11 C.F.R. §§ 100.26, 110.11(a)-(b).

Explanation and Justification for the Regulations on Internet Communications ("Internet Communications E&J"), 71 Fed. Reg. 18,589, 18,593 (Apr. 12, 2006).

<sup>&</sup>lt;sup>16</sup> 52 U.S.C. § 30120(a)(1); 11 C.F.R. § 110.11(b)(1).

<sup>11</sup> C.F.R. § 110.11(a)(1); see also AO 1995-09 (NewtWatch) at 2.

<sup>18 11</sup> C.F.R. § 110.11(a)(1).

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- contribution page properly states that the website was paid for by ActBlue, it was not authorized
- 2 by any candidate or candidate's committee, and included its web address. 19
- Therefore, there is no reason to believe ActBlue, LLC violated 52 U.S.C. § 30120.

<sup>52</sup> U.S.C. § 30120(a)(3); 11 C.F.R. § 110.11(b)(3). Further, the Committee was not required to place its own disclaimer on the ActBlue contribution page. The Facebook advertisement contained a "Donate Now" button redirecting the user to the contribution page on the ActBlue website, which informs the user that he or she is making a contribution to the Sanders Committee. There are no facts indicating that the Committee or Sanders paid ActBlue a fee for creating the contribution page on its website.